

Members:

Sen. Patricia Miller, Chairperson
Sen. Robert Meeks
Sen. Joseph Zakas
Sen. Rose Antich
Sen. Lonnie Randolph
Sen. Vi Simpson
Rep. William Bailey
Rep. Charlie Brown
Rep. William Crawford
Rep. Ralph Ayres
Rep. Vaneta Becker
Rep. David Frizzell



SELECT JOINT COMMITTEE ON MEDICAID OVERSIGHT

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Authority: HEA 1156-1998

MEETING MINUTES¹

Meeting Date: May 19, 1998
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St.,
Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Patricia Miller, Chairperson; Sen. Robert Meeks; Sen. Joseph Zakas; Sen. Rose Antich; Sen. Vi Simpson; Rep. William Bailey; Rep. Charlie Brown; Rep. David Frizzell.

Members Absent: Sen. Lonnie Randolph; Rep. William Crawford; Rep. Ralph Ayres; Rep. Vaneta Becker.

Senator Miller called the meeting to order at 10:10 A.M. Mary Simpson of EDS presented Committee members with a monthly update of claims processing statistics (see Exhibit 1). Committee members asked questions regarding EDS's preparation for the change to a case mix reimbursement system as well as the "Year 2000" problem. Ms. Simpson noted that EDS is expanding many of its services and will be using the same software but new hardware. The Year 2000 situation was factored into the design of the current software, and some, if not all of the outside interfaces have been updated as well. EDS plans to test its Year 2000 capabilities during the next several months.

¹Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House, Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are available on the Internet at the General Assembly homepage at <http://www.ai.org/legislative/>

Judith Becherer from the Office of Medicaid Policy and Planning (OMPP) presented Committee members with an update on development of the case mix reimbursement system. She related that a public hearing on the proposed case mix rule that took place on April 27th yielded one sheet of written comments, most of which were submitted by Jim Leich of the Indiana Association of Homes for the Aging. Ms. Becherer noted that the working group on case mix will look at the comments as part of its ongoing work. She then explained the time line for the remainder of the rule adoption process, with the goal of having the rule go into effect on October 1, 1998. Ms. Becherer briefly reviewed the subjects discussed at recent workgroup meetings, including case mix implementation, cost-report auditing, and provider training and education. The workgroup meets once each month and more frequently as needed.

Senator Miller suggested that the Committee meet in late July and invite a representative of the Attorney General's office to the meeting to express any concerns that that office may have about the proposed case mix rule.

John Holmes of the Indiana Health Care Association (IHCA) reported that, from IHCA's perspective, work towards implementing the case mix reimbursement system is proceeding productively. Concerns that are raised are being effectively addressed, and IHCA is comfortable with the current status of the process. Ms. Becherer noted that independent nursing facility owners agree that the work towards implementing the case mix reimbursement system is proceeding smoothly.

Diane Stern from the Indiana Association of Homes for the Aging reported that the Association is very pleased with the progress of the workgroup to date.

Senator Miller, on behalf of the Committee, expressed appreciation to everyone who is working to implement the case mix reimbursement system.

Becky Zaseck, Director of the Area 2 Agency on Aging addressed the Committee to report that the 16 Area Agencies on Aging (AAAs) want the authority to approve client care plans and services for Medicaid waiver programs and issue vendor payments for those programs at the local level. She provided Committee members with a written copy of her comments and supporting materials (see Exhibit 2). Ms. Zaseck suggested that many benefits would arise from such authority, including increased quality assurance and enhanced vendor recruitment. She asserted that Medicaid funding should be person based rather than location based.

Senator Miller asked several questions regarding the AAAs' accountability for home care and handyman services. Ms. Zaseck noted that plans of care are computerized, so checks and balances do not exist for Medicaid waiver services. As for the handyman program, her agency visits the program and provides case management every three months for its most frail clients and every six months for its less frail clients. Ms. Zaseck observed that 99% of the home care agencies with which her agency works do a terrific job.

Senator Meeks and Ms. Zaseck next discussed the role of Councils on Aging within the AAAs. Senator Meeks suggested that the Councils on Aging are not being effectively funded or utilized.

Senator Antich asked staff to provide figures for the CHOICE program in Hammond and Portage, including the number of individuals on waiting lists, budgets, and the actual number of individuals receiving services. Staff agreed to provide this information.

In response to questions from Senator Zakas, Ms. Zaseck indicated that: (1) she does not know why the AAAs are allowed to perform the services she is requesting for all programs except Medicaid waiver programs; and (2) while her agency is capable of operating a pilot program, the state must first provide permission to do so. In response to Senator Simpson's question, Ms. Zaseck stated that AAAs are willing to help the state on accountability issues.

Senator Miller suggested that the Committee should be gathering information relating to accountability issues because no one else is gathering this information. She told Ms. Zaseck that the Committee and the General Assembly must be satisfied with current accountability before providing AAAs with more authority. Staff was then asked to collect information regarding the following: (1) total staff on all AAAs; (2) the number of clients served by the AAAs; (3) who the AAAs' vendors are, how these vendors are selected, and how they are licensed; (4) audit reports from each AAA; (5) how service accountability is performed at each AAA, i.e., how services are monitored to determine if the services are appropriate, how often providers go into the home, etc.; and (6) how bids for services are let. Staff was also asked to provide information on aging programs in St. Joseph, Michigan.

Committee members then briefly discussed AAAs. Representative Bailey noted that he has not heard about problems relating to AAAs in his district. Senator Miller reiterated that she wants greater accountability from AAAs for the current dollars they receive before expanding the AAAs' authority. Senator Simpson noted that her interest in accountability centers around vendors, not AAAs. Representative Bailey urged the Committee to identify its goal(s) or risk wasting time. Senator Miller stated that she wants to be certain that people are receiving the services they need. Representative Frizzell observed that the bottom line is that individuals should receive appropriate services and that vendors and other providers receive money for providing these services. He noted that the problems will only become larger as the baby boom population ages.

Committee members then briefly discussed long term care insurance.

John Cardwell from the Citizens' Action Coalition asked Committee members not to forget the role of consumers in designing a program of accountability. He noted that consumer protection agencies such as United Senior Action and AARP have and should continue to monitor the AAAs.

Senator Simpson asked for an update from OMPP regarding dental practitioners. Kathy Gifford from OMPP reported that the Office has vigorously addressed the lack of dental providers in the program. Reimbursement is apparently the top concern of providers, and OMPP increased reimbursement by 119% in the aggregate as of May 1st. A dental panel will continue to advise OMPP. Ms. Gifford noted that the increase in reimbursement is approximately \$40 million annually, of which \$16 million is the state's share. She also reported that approximately 700 dental providers participate in the Medicaid program as opposed to approximately 1500 participants five years ago. Representative Bailey asked when it would be possible to measure the effectiveness of increasing dentists' reimbursement. Ms. Gifford indicated that EDS will monitor the situation and keep her informed. Tony Califano from EDS suggested that it will probably be at least six months before EDS can gauge the effectiveness of increased reimbursement. The next significant issue is whether to carve dentists out of the risk based managed care program. Representative Brown then noted that one dentist in his district has been experiencing significant problems with the Medicaid program for at least two years. Ms. Gifford invited Representative Brown to discuss the particular situation with her after the meeting. Committee members then discussed the problems associated with dental providers and the Medicaid program.

After brief discussion, Senator Miller set the next two Committee meetings for June 25th at 10:00 A.M. and July 27th at 10:00 A.M. She then adjourned the meeting at 11:40 A.M.